South African Reserve Bank

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FOR RELEASE: 09:00 A.M., Tuesday, 23 February 2016

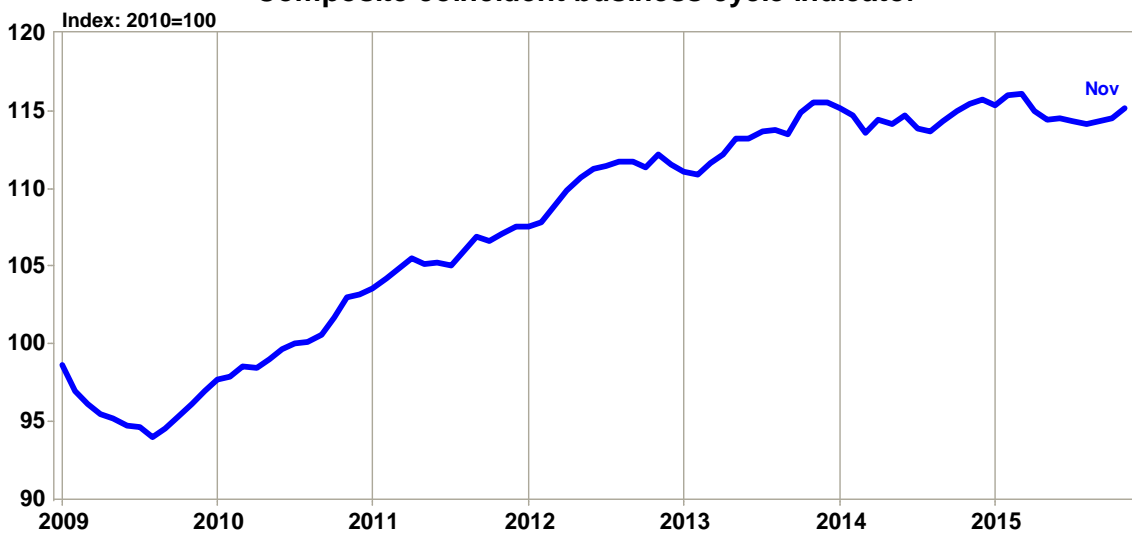## Composite business cycle indicators for South Africa

- The composite **leading** business cycle indicator *decreased* by 0,1 per cent on a month-to-month basis in December 2015. Six of the nine component time series that were available for December 2015 decreased, while the remainder increased. The largest negative contributions in December came from a decrease in the US dollar based export commodity price index, as well as a deceleration in the twelve-month percentage change in the number of new passenger vehicles sold.The largest positive contribution to the movement in the composite leading indicator in December emanated from an increase in the number of residential building plans passed, followed by a widening in the interest rate spread.

- The composite **coincident** business cycle indicator *increased* by 0,6 per cent on a month-to-month basis in November 2015.

- The composite **lagging** business cycle indicator *increased* by 0,4 per cent on a month-to-month basis in November 2015.

The next release is scheduled for 22 March 2016, at 09:00 A.M.
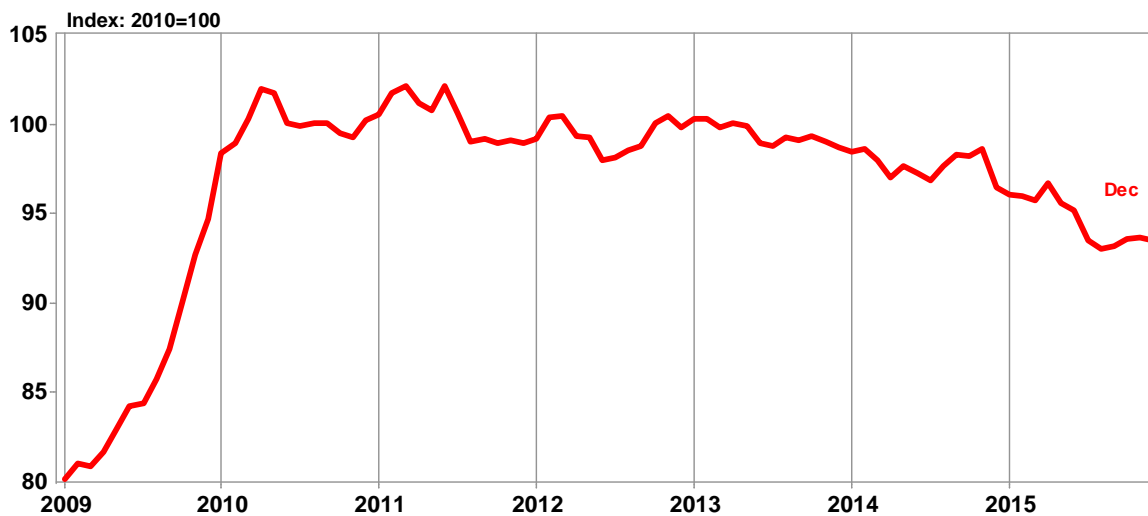
File reference: (17/8/4/2)

Composite leading business cycle indicator

Index: 2010=100

Dec

Composite coincident business cycle indicator

Index: 2010=100

Nov

Composite lagging business cycle indicator

Index: 2010=100

Nov
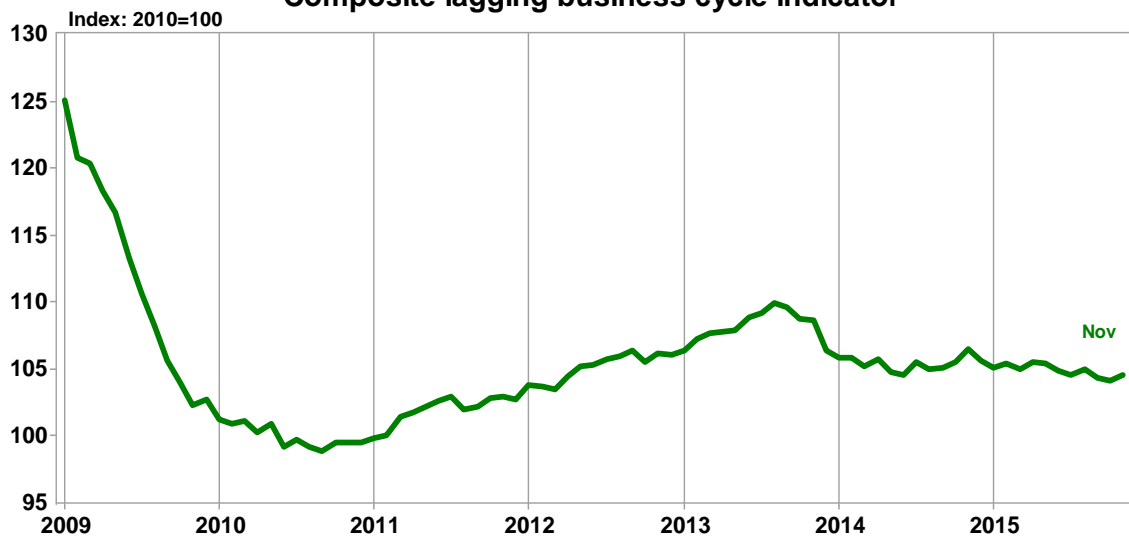
Table 1   Summary of the composite business cycle indicators*

Indices: 2010 = 100	2015							
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Leading indicator	95,6	95,2	93,5	93,1	93,2	93,6	93,6	93,5
12-month percentage change	*-2,1*	*-2,2*	*-3,5*	*-4,7*	*-5,1*	*-4,7*	*-5,0*	*-3,1*
Coincident indicator	114,5	114,5	114,3	114,1	114,4	114,6	115,2	-
12-month percentage change	*0,3*	*-0,1*	*0,4*	*0,4*	*0,0*	*-0,4*	*-0,2*	-
Lagging indicator	105,5	104,9	104,6	105,0	104,4	104,2	104,6	-
12-month percentage change	*0,7*	*0,3*	*-0,9*	*0,0*	*-0,8*	*-1,3*	*-1,8*	-

* The composite business cycle indicators are revised continuously following revisions to underlying
  component time series data.

**Table 2   Component time series of the composite leading business cycle
indicator and their contribution to the December 2015 data point:**

Positive contributors (ranked from largest to smallest)
Number of building plans approved: Flats, townhouses & houses larger than 80m²
Interest rate spread: 10-year government bonds minus 91-day Treasury bills
Job advertisements: The Sunday Times (percentage change over 12 months)
Negative contributors (ranked from largest to smallest)
Commodity price index for South Africa's main export commodities (US dollar based)
Number of new passenger vehicles sold (percentage change over 12 months)
Composite leading business cycle indicator for South Africa's major trading-partner countries (percentage change over 12 months)
Real M1 (six-month smoothed growth rate)
BER *: Average hours worked per factory worker in manufacturing (half weight)
BER*: Volume of orders in manufacturing (half weight)
Unavailable component series
Gross operating surplus as a percentage of gross domestic product
BER*: Business Confidence Index

* Bureau for Economic Research, Stellenbosch University